



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF)
DSLnet COMMUNICATIONS, LLC AND)
NETWORK ACCESS SOLUTIONS)
CORPORATION FOR GRANT OF THE)
AUTHORITY NECESSARY FOR THE)
TRANSFER AND SALE OF ASSETS)

ORDER OF APPROVAL

DOCKET NO. TM02100704

(SERVICE LIST ATTACHED)

BY THE BOARD:

On October 17, 2002, DSLnet Communications, LLC (DSLnet) and Network Access Solutions Corporation (NAS and, together with DSLnet, the Petitioners), petitioned the Board of Public Utilities (Board), pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6, for approval of the transfer and sale of assets. This transfer has arisen as the result of NAS' Chapter 11 bankruptcy reorganization. Petitioner respectfully requests approval be granted nunc pro tunc.

BACKGROUND

DSLnet is a Delaware limited liability company with principal offices located at 545 Long Wharf Drive, Fifth Floor, New Haven, Connecticut. DSLnet is a wholly owned subsidiary of DSL.net, Inc (DSL.net), a Delaware corporation with its principle offices located at the same address. DSLnet is authorized to provide switched and dedicated, facilities-based local exchange and interexchange telecommunications services in the State of New Jersey. See Order I/M/O the Petition of DSLnet Communications, LLC, for Authorization to Provide Switched and Dedicated Facilities-Based Local Exchange and Interexchange Telecommunications Services Throughout New Jersey, Docket No. TE99020066, dated August 8, 1999.

NAS is a Delaware corporation with its principal offices located at Three Dulles Tech Center, 13650 Dulles Technology Drive, Herndon, Virginia. NAS is authorized to provide local and interexchange telecommunications service in the State of New Jersey. See Order I/M/O the Petition of Network Access Solutions, Inc. for Authorization to Provide Local and Interexchange Telecommunications Services within the State of New Jersey. NAS provides service nationally and, in New Jersey, currently provides data services on approximately 3,000 lines. Since June 4, 2002, NAS has been operating in bankruptcy status under the protection of the United States Bankruptcy Court for the District of Delaware (Bankruptcy Court).

As part of the NAS bankruptcy reorganization, on October 16, 2002, NAS, together with certain of its wholly-owned subsidiaries (collectively Sellers), and DSL.net executed an Asset Purchase Agreement (Agreement), whereby Sellers propose to sell and DSL.net proposes to purchase certain NAS assets, including network and other equipment used to provide high-speed data services and certain data services accounts in New Jersey (the Assets) and other states (the Proposed Transaction). The NAS customer-base to be acquired by DSLnet is comprised solely of data customers, none of whom receives circuit-switched local exchange, intraLATA toll or long-distance telephone services from NAS. DSLnet asserts that it will provide service to the telecommunications customers acquired through the Proposed Transaction in conformance with New Jersey law and pursuant to the terms of its tariffs or contracts. DSLnet states that the Proposed Transaction will have no impact upon rates or terms of service provided to the customers to be transferred. Rather, DSLnet notes that all such customers are served by contract and will continue to receive service under the rates and terms of such contracts for the remainder of their terms. By letter dated January 13, 2003 the Petitioners notified the Board that the Court approved the sale to DSLnet, closed on January 10, 2003 and that customer notice had been sent. NAS will not relinquish its authority and will retain its other customers in New Jersey. By letter dated January 16, 2003 the Ratepayer Advocate recommended Board approval of the transaction.

Petitioners furthermore do not expect that the current management and personnel of the New Jersey-Licensed Subsidiaries will change substantially upon closing of the Proposed Transaction. Petitioners also do not expect that the Proposed Transaction will have an adverse effect on employees of the New Jersey-Licensed Subsidiaries. Similarly, Petitioners do not anticipate that the Proposed Transaction will have an adverse affect on employee pension plans. Petitioners stated that, upon closing of the Proposed Transaction, the New Jersey-Licensed Subsidiaries' customers would continue to be served by qualified consumer representatives and would continue to receive telecommunications services at the same rates, terms and conditions offered by the New Jersey-Licensed Subsidiaries prior to closing. Petitioners thus state that the Proposed Transaction and its consummation will be transparent to the customers of the New Jersey-Licensed Subsidiaries.

Petitioners have indicated that approval for this transaction has been received from Delaware. Notification was only required in Connecticut, the District of Columbia, Maryland, Massachusetts, New York, Pennsylvania and Virginia. No states have denied the transaction.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board is convinced that, with regard to the provision of service, there will be no negative impact on service to New Jersey customers. All services will continue to be provided to the Petitioners' New Jersey customers without interruption and pursuant to the same tariffs, contracts, rates, terms and conditions in existence prior to the transaction.

Accordingly, after careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the transfer is in accordance with law and in the public interest. The Board HEREBY APPROVES the request by Petitioners for this transaction nunc pro tunc.

DATED: 2/20/03

BOARD OF PUBLIC UTILITIES
BY:

(signed)
JEANNE M. FOX
PRESIDENT

(signed)
FREDERICK F. BUTLER
COMMISSIONER

(signed)
CAROL J. MURPHY
COMMISSIONER

(signed)
CONNIE O. HUGHES
COMMISSIONER

(signed)
JACK ALTER
COMMISSIONER

ATTEST:

(signed)
KRISTI IZZO
SECRETARY

